

Message Text

LIMITED OFFICIAL USE

PAGE 01 CAIRO 10856 01 OF 02 141456Z
ACTION AID-59

INFO OCT-01 NEA-10 ISO-00 AGRE-00 SP-02 L-03 EB-08
CIAE-00 INR-10 NSAE-00 COME-00 OMB-01 TRSE-00
SSO-00 INRE-00 /094 W
-----013468 141512Z /53
O 141445Z APR 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 7997

LIMITED OFFICIAL USE SECTION 01 OF 02 CAIRO 10856

DEPT PASS AGRICULTURE AND AID

E.O. 11652: N/A
TAGS: EAGR, EAID, EG
SUBJECT: GOE REQUEST FOR PURCHASE AUTHORIZATION (PA)
- FOR WHEAT IN AMOUNT OF REMAINING FUNDS UNDER
- FY-1978 PL-480, TITLE I PROGRAM

REFS: (A) STATE 090324, (B) CAIRO 05850, (C) TOFAS 109

1. FOLLOWING RECEIPT OF REFTEL (A) ON SATURDAY 4/8,
WE REQUESTED MINSUPPLY TO FURNISH COMPLETE LISTING OF
WHEAT/WHEAT FLOUR PURCHASES AND SCHEDULE OF SHIPMENTS
FOR FY-1978 AND CY-1978 (GOE RECORDS, WE WOULD AGAIN
STRESS, ARE LARGELY ON LATTER BASIS). DATA NOW RE-
CEIVED AND INDICATES THE FOLLOWING:

- A. WHEAT CONTRACTED FOR SHIPMENT DURING CY-1978:
- (1) ONE MILLION METRIC TONS (MT) FROM AUSTRALIA
FOR SHIPMENT AT MONTHLY RATE OF 83,000 MT BEGINNING
JAN 1978.
- (2) UNDER TITLE I, 665,000 MT FOR SHIPMENT JAN-MAY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CAIRO 10856 01 OF 02 141456Z

- (3) FREE CURRENCY PURCHASES OF 500,000 MT TOR
SHIPMENT 75,000 MT EACH FEB AND MAR, 85,000 MT EACH
APR, MAY, JUN AND JUL, AND BALANCE OO 10,000 MT AUG.
- (4) FREE CURRENCY PURCHASES OF 300,000 MT, OF
WHICH 85,000 MT ALREADY SHIPPED, 75,000 MT TO BE
SHIPPED DURING APR, 120,000 MT DURING MAY, AND RE-

MAINDER OF 20,000 MT DURING JUN.

- B. WHEAT FLOUR CONTRACTED FOR SHIPMENT DURING CY-1978:

- (1) UNDER TITLE I, 202,200 MT FOR SHIPMENT DURING JAN-MAY. BALANCE OF APPROXIMATELY 168,650 MT NOT YET CONTRACTED.

- (2) FREE CURRENCY PURCHASES OF 266,500 MT FOR SHIPMENT DURING JAN-MAY.

- C. MINSUPPLY REPORTS THAT WHEAT STOCKS CURRENTLY AMOUNT TO 390,000 MT (EQUIVALENT TO 33 DAYS CONSUMPTION AT MONTHLY RATE OF 350,000 MT) AND WHEAT FLOUR STOCKS OF 150,000 MT (EQUIVALENT TO 60 DAYS CONSUMPTION AT MONTHLY RATE OF 75,000 MT).

2. ABOVE DATA INDICATE SHIPMENT DURING JAN-MAY OF 1,680,000 MT WHEAT AGAINST REQUIREMENT OF 1,750,000 MT, AND SHIPMENT OF 637,350 MT WHEAT FLOUR (INCLUDING REMAINDER AVAILABLE UNDER TITLE I) AGAINST REQUIREMENT OF 375,000 MT. ON WHEAT EQUIVALENT BASIS (CONVERTING FLOUR AT 75 PERCENT EXTRACTION RATE), TOTAL SHIPMENTS JAN-MAY AMOUNT TO 2,529,800 MT, ABOUT 12 PERCENT ABOVE REQUIREMENTS OF 2,250,000 MT, BUT STOCK LEVELS ARE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CAIRO 10856 01 OF 02 141456Z

DANGEROUSLY LOW. MINSUPPLY CONSIDERS 3 MONTHS STOCKS DESIRABLE LEVEL AND 2-1/2 MONTHS ABSOLUTE MINIMUM FOR SOUND MANAGEMENT OF SUPPLY/DISTRIBUTION SYSTEM. MINISTER OF TRADE AND SUPPLY TOLD AMBASSADOR ON 4/9 THAT SUPPLY SITUATION WAS SO TIGHT THAT GOE HAD BEEN FORCED TO TAKE 50,000 MT WHEAT FROM UNSPECIFIED EMERGENCY SUPPLIES FOR CURRENT NEEDS.

3. AGAINST MONTHLY REQUIREMENT OF 450,000 MT ON WHEAT EQUIVALENT BASIS, MINSUPPLY DATA SHOW CONTRACTS FOR 188,000 MT IN JUN, 168,000 MT IN JUL, 93,000 MT IN AUGUST, AND ONLY 83,000 MT MONTHLY FOR SEP AND THEREAFTER FOR REMAINDER OF YEAR.

4. IN OUR VIEW, MINSUPPLY DATA MAKES STRONG CASE FOR IMMEDIATE ISSUANCE OF PA FOR REMAINING FUNDS IN FY-1978 AGREEMENT. SHIPMENTS MUST BE ARRANGED FOR JUN IN VERY NEAR FUTURE OR PRESENT TIGHT SUPPLY SITUATION WILL BECOME CRITICAL. UNDER THESE CIRCUMSTANCES, WE DO NOT BELIEVE THAT ISSUANCE OF NEXT PA COULD BE POSTPONED MORE THAN A WEEK OR TWO. WHILE MISSION IS STILL WORKING WITH GOE TO DEVELOP SATISFACTORY PROPOSAL, WE

SEE NO LIKELIHOOD THAT FY-1978 TITLE III PROGRAM CAN BE DEVELOPED WITHIN THAT TIME FRAME. ACCORDINGLY, THERE IS NOTHING TO BE GAINED BY FURTHER DELAY IN ISSUANCE OF PA NOW TO ACCOMMODATE WHAT IS PERCEIVED BY GOE AS URGENT MATTER. IF ADDITIONAL TITLE I FUNDS ARE FORTHCOMING UNDER SUPPLEMENTAL APPROPRIATION, IT MAY YET BE POSSIBLE TO FINALIZE TITLE III PROGRAM IN FY-1978. IF NOT, BELIEVE WE SHOULD BE LOOKING TO FY-1979.

5. WITH REGARD TO BELLMON DETERMINATION, WE SEE NO REASON TO CHANGE BASIC ASSESSMENT OF PORT SITUATION AS REPORTED REFTEL (B) ON BASIS SURVEY BY GEORGE POPE. ACCORDING TO AMCONSUL PORT SAID, SITUATION AT MARINE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 CAIRO 10856 01 OF 02 141456Z

SHIPPING CORPORATION FACILITY HAS IMPROVED RECENTLY WITH QUANTITY OF WHEAT UNLOADED BY NOT YET MOVED OUT

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 CAIRO 10856 02 OF 02 141458Z
ACTION AID-59

INFO OCT-01 NEA-10 ISO-00 AGRE-00 SP-02 L-03 EB-08
CIAE-00 INR-10 NSAE-00 COME-00 OMB-01 TRSE-00
SSO-00 INRE-00 /094 W

-----013537 141512Z /53

O 141445Z APR 78
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 7998

LIMITED OFFICIAL USE SECTION 02 OF 02 CAIRO 10856

OF PORT SUBSTANTIALLY REDUCED. STORAGE SITUATION IN COUNTRY UNCHANGED. TITLE I PROGRAM PROVIDES NO DISINCENTIVE TO LOCAL PRODUCTION, WHICH GOE WOULD DEARLY LOVE TO EXPAND BUT ADDITIONAL LAND NOT AVAILABLE. AS REPORTED BY AGATTACHE IN REFTEL (C), WHEAT ACREAGE EXPECTED TO INCREASE SLIGHTLY IN 1978/79.

6. COMPLIANCE REPORT FOR FIRST QUARTER FY-1978,
POUCHED FROM CAIRO ON 4/10, INDICATES
IMPORTS DURING PERIOD OF 861,187 MT WHEAT/WHEAT FLOUR
(WHEAT EQUIVALENT BASIS) AGAINST USUAL
MARKETING REQUIREMENT OF 2,263,000 MT, INCLUDING
SHORTFALL CARRIED OVER FROM FY-1977. MINSUPPLY DATA
REPORTED ABOVE INDICATES COMMERCIAL PURCHASES OF
2,133,222 MT (WHEAT EQUIVALENT BASIS) DURING CY-1978.
IT THUS APPEARS THAT GOE HAS CONTRACTED FOR TOTAL OF
3,005,520 MT IN COMMERCIAL PURCHASES DURING PERIOD OF
15 MONTHS BEGINNING OCT 1, 1977, WITH 2,756,520
MT SCHEDULED TO BE SHIPPED DURING FY-1978. EILTS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WHEAT, PURCHASE AUTHORIZATIONS, PL 480 TITLE 1
Control Number: n/a
Copy: SINGLE
Draft Date: 14 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CAIRO10856
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780161-0017
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780458/aaaabwvo.tel
Line Count: 181
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3753a1b0-c288-dd11-92da-001cc4696bcc
Office: ACTION AID
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 90324, 78 CAIRO 5850
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2970852
Secure: OPEN
Status: NATIVE
Subject: GOE REQUEST FOR PURCHASE AUTHORIZATION (PA) - FOR WHEAT IN AMOUNT OF REMAINING FUNDS UNDER - FY-1978 PL-480, TITLE I PROGRAM
TAGS: EAGR, EAID, EG
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/3753a1b0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014